

ECONOMIC DEVELOPMENT COMMITTEE

DATE: May 24, 2006

CALLED TO ORDER: 5:10 p.m.

ADJOURNED: 7:05 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jackie Nytes, Chair
Virginia Cain
Marilyn Pfisterer
Isaac Randolph, Jr
Joanne Sanders

ABSENT MEMBERS

Patrice Abdullah
Lonnell Conley

AGENDA

PROPOSAL NO. 321, 2006 - an inducement resolution for Canterbury Lake L.P. and Canterbury Lake LLC, or their designees, in an amount not to exceed \$16,500,000 for the acquisition and construction of a 252-unit affordable apartment community situated on 47 acres located at 3355 S. Arlington Avenue (Canterbury Lakes Apartment Project) (District 25)
“Do Pass” Vote 3-2

PROPOSAL NO. 322, 2006 - an inducement resolution for Pedcor Investments-2006-LXXXVIII, L.P. in an amount not to exceed \$15,000,000 for the acquisition and construction of a 220-unit affordable apartment community (Forest Ridge Apartment Community) situated on approximately 25 acres located southeast of the intersection of 79th Street and Township Line Road (District 2)
“Do Pass” Vote 5-0

PROPOSAL NO. 323, 2006 - an inducement resolution for Urban Innovations, Ltd in an amount not to exceed \$6,750,000 for the acquisition, rehabilitation and renovation of a 111-unit low-income elderly apartment complex located at 8851 Colby Boulevard (Park Regency Apartments Project) (District 1)
“Do Pass” Vote 4-1

Introduction of James Garrard, the new Director of Economic Development for the Mayor’s Office

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, May 24, 2006. Chair Jackie Nytes called the meeting to order at 5:10 p.m. with the following members present: Virginia Cain, and Marilyn Pfisterer. Isaac Randolph, Jr., and Joanne Sanders arrived shortly thereafter. Absent were Patrice Abdullah and Lonnell Conley.

Introduction of James Garrard, the new Director of Economic Development for the Mayor's Office

Chair Nytes stated that two of the Committee members were on their way and asked for permission to have Mr. Garrard speak until those Councillors arrive. The Committee agreed.

Chair Nytes asked if Mr. Garrard is officially in office. Mr. Garrard answered in the affirmative. He said that the job is going well and he is dealing with a different kind of challenge. He said that the good news is that this is a great city as, according to Forbes Magazine, it is in the top 10 places for a business or career. He said that there is a boom of construction and a lot of things are happening in Indianapolis. It is a challenge because luring and attracting business and investment is competitive nationwide. He said that he has been meeting with the Department of Metropolitan Development (DMD) and they have been very supportive. He is also looking forward to working with other partners such as Indy Partnership, the Chamber of Commerce, and Indianapolis Downtown, Inc. to attract business and investments.

[Clerk's note: Councillor Sanders arrived at this time 5:13 p.m.]

Chair Nytes asked if there are any projects that are ready to be discussed. He said that there will be several projects coming which include the recent FedEx announcement of 800 new jobs and some investment. He said that he would be happy to come back to the Committee on a regular basis to discuss projects and answer any questions. Chair Nytes said that there was a list of Economic Development activities that the Committee wanted updates on and that she make that list available to Mr. Garrard. She said that the Committee is interested in learning what is going on at the Central State site, the Committee would also like a progress report of what has happened at the Lafayette Road CREED, and feedback on the big box designation for special tax abatement on east Washington Street. Mr. Garrard said that he would be happy to supply the Committee with the requested information. He said that decisions were made last week for potential Central State property projects. Less than a year ago, DMD put out a Request for Proposal (RFP) for specific development ideas and projects for that property. The responses were not what DMD had hoped for, so a Request For Qualifications (RFQ) has been put out for someone to do a market analysis, work with the neighborhood and get a comprehensive plan in place for the property. He said that he thinks that there should be some things happening with that soon.

Councillor Pfisterer said that commitments have been made that the Reuse Commission's recommendations to the Mayor under the Ball State Plan are to be adhered to as much as possible. Mr. Garrard affirmed and stated that the selected group is also committed to engaging the neighborhood and keeping in mind the vision of what the people want to see in that area.

Chair Nytes asked Rod Morgan, Attorney representing the Economic Development Commission, if he could reiterate the process of inducement resolutions and their time table for this year. Mr. Morgan said that the Commission is the unit of government that is charged with the statutory duty of reviewing applications for taxes and financing to support multi-family housing, affordable housing projects, as well as manufacturing projects. The Commission is charged with that duty because the State has a very limited amount of taxes and financing capabilities for bond projects. He said that the number is determined by the number of citizens in Indiana times the multiplier. The taxes and financing process is very competitive throughout the State. The affordable housing category is even further limited by the State and the money is divided between multi-family housing and manufacturing. Multi-family housing availability will be determined in a round of applications that will be received on June 9, 2006 and there is no commitment to have another round of reviews this year. This deadline is the reason that there are three inducement resolutions before the Committee. Mr. Morgan said that "inducement" means that it allows the developer to continue in refining projects and determining whether or not the amounts that have been utilized for renovation and rehabilitation and constructions costs are realistic. It allows the developer to investigate the feasibility of the project and finalize the project. He said that the inducement also allows the developer to recapture some of their costs. Mr. Morgan said that the process consists of the inducement resolutions being heard by the Economic Development Commission. Full presentations are given by developers at this point and the hearings are public, but there is no public testimony. The public hearings that are required by statute are after there is a determination that the project will obtain taxes and financing, volume cap, and come back for final consideration by the Commission, the Economic Development Committee, and the full Council.

Chair Nytes asked Mr. Morgan if he has seen projects go through the inducement phase at the Commission level, the Committee level and the Council level and not proceed. Mr. Morgan answered in the affirmative and stated that the majority of the projects do not receive the volume cap and then have to wait for subsequent years so the project is suspended. He said that the inducement process allows for the best projects to be put forward. The rejection of inducement resolutions before the projects are fully outlined and defined would work as a chilling effect with developers because they think that Indianapolis is not encouraging multi-family, affordable housing projects. Developers will seek other places to complete the projects.

[Clerk's note: Councillor Randolph arrived at this time 5:22]

PROPOSAL NO. 321, 2006 - an inducement resolution for Canterbury Lake L.P. and Canterbury Lake LLC, or their designees, in an amount not to exceed \$16,500,000 for the acquisition and construction of a 252-unit affordable apartment community situated on 47 acres located at 3355 S. Arlington Avenue (Canterbury Lakes Apartment Project) (District 25)

Mr. Morgan said that the developer of this project, Herman and Kittle, understands that there will be no tax revenues utilized to repay the bond, if issued, and the project will be on the tax rolls. There is no obligation or liability incurred by the City for this project. It is currently vacant land in District 25, Franklin Township.

Thomas Peterson, Bond Counsel, Attorney with Ice Miller, said that it is his job to help prepare the various proceedings for the approval of the bonds and the documentation for the bond issuance to inform investors of the validity of the debt and the tax exempt status of the interest of the bonds. He said that the benefit of the program is to allow a lowering borrowing, which makes the project more economically feasible. The projects are payable solely by the borrower and the revenues of the project, no taxes can be used to pay the bonds. He said that this information is also printed at the bottom of the bonds and is stated in the statute. Mr. Peterson said that issuance of the bonds does not effect the City's credit rating and does not go against any debt limitations that the City may have.

Jeff Kittle, Herman and Kittle, said that the company has been in business for more than 25 years and focuses on affordable housing in the Midwest. He said that the company owns and manages all of the properties it has developed. They have been fortunate to come before the Committee on inducements and completion of two developments in Marion County, Nora on the Monon and Washington Pointe Apartments. He said that the company has a portfolio of over 4,000 apartment homes throughout the Midwest and has been fortunate to keep an occupancy level in the low to mid 90%. Mr. Kittle said that they have met with Councillor Plowman twice and are committed to working with him and his constituents to consider any suggestions. There was an open house at Washington Pointe in which neighborhood groups were invited.

Jeff Ryan, Senior Development Associate with Herman and Kittle, said that the apartments for the development will be very high quality with brick and vinyl exterior and all units will have either a porch or balcony. There will be wall-to-wall carpeting, walk-in closets, modern amenities, and a nice appliance package. He said that the apartments will be a mixed-income community with affordable and market rate housing.

Councillor Pfisterer asked what the current zoning is on the property. Mr. Ryan answered that it is D62, which allows for multi-family.

Chair Nytes stated that the drawings that were provided to the Committee illustrate a Phase I and a Phase II, she asked if the inducement resolution is limited to Phase I. Mr. Ryan answered in the affirmative. Chair Nytes asked what the strategy is concerning Phase II. Mr. Ryan said that there is not a time frame for Phase II yet. It will depend on the market and how Phase I is received. He said that the specifics have not yet been determined as they are currently working to get Phase I under way. Chair Nytes said that she wondered what the impact of possible expansion to I-465 would be on the Phase II portion of the project. Mr. Kittle indicated that the right of way had been considered in the site plan.

Chair Nytes asked if the market study has been completed for the current project. Mr. Kittle answered that the market study is still in progress and he expects it next week. He said they have, however, received some preliminary information which reflects that there are more than

3,000 households in the market area from which the developers believe that they would draw residents. These residents could qualify, as far as income, for the apartments. And in order to fill the apartments, less than 7% of that market must be obtained. Chair Nytes asked if filling this development would vacate all the other multi family buildings in Franklin Township. Mr. Kittle answered in the negative.

Councillor Randolph asked what the price points are for rentals. Mr. Ryan answered that they are expecting the following pay ranges:

One bedroom	\$560-599
Two bedroom	\$675-699
Three bedroom	\$785-799
Four bedroom	\$840-899

Councillor Randolph asked how those numbers compare with market rate. He stated that in a similar situation, it was discovered that there was only a \$25 difference between the market rate and the “subsidized” rate, which raises a question of why “affordable” housing units are being put in a place where the market is fairly stable. He said that he is concerned that a surplus of housing is being created. Mr. Ryan said that he does not have that information as the market study will give those specifics. But he stated that the capture rate of less than 7% shows that there is a very large renter market that the project will help relieve and a high quality product will be provided to those who would not otherwise be able to obtain such housing. He said that this project does not have enough units to depress the market. Councillor Randolph asked if the prospects will be moving from one affordable housing complex to this project. Mr. Ryan answered that it will house a variety of prospects including newly formed households, people moving from substandard to higher quality, and people moving into the area from other areas. Mr. Kittle added that the market-driven rents for equivalent quality are from 10%-15% higher than what the “affordable” rents are.

Chair Nytes asked what percentage of the units are being targeted and at what level of the area median income (AMI). Mr. Ryan said that they are targeting 75%-80% of the units being at 60% of AMI. The other units will be unrestricted market rate units. Chair Nytes asked if the developers would continue to screen the residents during the reporting period and assure that residents fall in the correct categories. Mr. Ryan answered in the affirmative and stated that they would be reporting to the Indiana Housing and Community Development Authority for the 15 year reporting period and will also screen residents to ensure that rent can be paid. Background checks will also be performed. Mr. Peterson said that the developers are going to dedicate 70%-80% of the units, but the bond program only requires 40%. Therefore, this will make a higher percentage of “affordable” units being made available. He added that the compliance period is for a minimum of 15 years, but it will continue as long as the bonds are outstanding. Chair Nytes asked if the developers are offering more “affordable” units because of the competitive nature of the volume cap process. Mr. Kittle answered in the affirmative and stated that it is also because of the market study. He said that the market study will be the ultimate determinant.

Councillor Lincoln Plowman said that he is against the proposal on behalf the constituents in District 25. He has had conversation with the developers and feels that this may be a good project but in the wrong area. Councillor Plowman distributed letters from the Franklin

Township Civic League, Inc. (attached as Exhibit A) and the Franklin Township Chamber of Commerce (attached as Exhibit B) expressing opposition to the proposal. He said that both organizations would at least like for action to be postponed to allow for additional information to be sent. Councillor Plowman said that he did not receive the information that the Committee received, and he and the neighborhood are not fully aware of the project's details. He said that invitations were received to attend the open house, but no one was able to attend due to the short notice. He said that the project is zoned appropriately, but conflicts with the comprehensive plan that has recently been passed by the City. The plan suggests light industrial development on this particular property. He said that there are many needs for the area including street work. This project will put a minimum of another 250 vehicles on the street, which will add to congestion and inconvenience in that area. He said that the schools are already overcrowded and though growth is needed, it needs to be controlled growth. There is also a study of multi-family units available that was completed approximately a year ago that shows that there is a 30% vacancy rate in multi-family housing. Approximately 82% of the area in District 25 is currently residential and they would like to adhere to the comprehensive plan because there is a need for commercial development to help offset taxes. More residential development would reflect more requests for fire service and law enforcement agencies.

Chair Nytes said that the request to delay action cannot be accommodated as there is a time frame for applications to be in to the State. Mr. Morgan said that the applications must be in the state offices on June 9th and it is required to have successfully passed through the Commission, the Committee and the full Council. He said that it is also important to note that the inducement resolution being passed by the Committee and the full Council encourages more dialogue between the developers and the citizens to negotiate the project. One of the requirements by the City was that the developer agrees to continue dialogue and continue to work with the City as well as neighborhood groups to come to an accommodation on the project. The citizens will have the opportunity to voice their opinions at the public hearing if the project makes it to that point.

Chair Nytes asked if there are any additional upsides that the development will offer the community. Mr. Kittle answered that they will be working with the City and the Department of Public Works (DPW) and if there are any additional requirements they will comply, citing their performance when building Washington Pointe.

Councillor Cain asked what the time frame is to discuss the project and complete the project. Mr. Kittle said that they could work years in an area to put a project together. He said that they do not usually meet with people until they are sure that there is a deal in place. Councillor Cain asked about the zoning issue. Mr. Kittle said that they were attracted to this area because it was already zoned for this type of project. Mr. Ryan said that they received access to their property under contract on May 10th and met with Councillor Plowman on May 15th. He said that contact was made as soon as control was gained for the land.

Councillor Randolph asked if the June 9th deadline is the same every year. Mr. Morgan answered in the negative. He said that every year the process changes. Councillor Randolph said that a dilemma is almost being created because the constituents have not had time to look over the information. He said that there needs to be a better way of doing this when Councillors are

put in a position to make rush decisions. Mr. Morgan said that they are doing the best that they can under circumstances that cannot be controlled. He said that he understands the reluctance, but if it can be kept in the perspective of opening dialogue as opposed to closing dialogue, as this is not the last time that anyone will be heard regarding the projects. He said that they do not want to force anyone against the wall. Councillor Randolph stated that Councillors are held accountable to constituents and they were elected to handle constituent concerns, which is why a time constraint is difficult as Councillors do not have the opportunity to at least ask for an extension to give time and clarity to the neighborhood. He said that it makes it difficult to support good, solid development.

Chair Nytes said that there were concerns raised by the Franklin Township Civic League regarding environmentally sensitive areas and questions about a lake. She asked if the developers have had an opportunity to discuss these concerns with the Civic League. Mr. Kittle said that they have not seen the letter (Exhibit A), but the Civic League was invited to the open house and they have not met with the Civic League. Chair Nytes asked if the developers have met with the school administration. Mr. Ryan answered in the negative. Mr. Morgan said that one of the statutory requirements is that once the recommendation from the Economic Development Commission is made, notification must be sent to the school district, the fire and police departments, and the Chair of the Metropolitan Planning Commission.

Councillor Sanders asked if the lake of concern is man-made. Mr. Ryan answered in the affirmative and stated that the lake was put there as a borrow pit for construction purposes of I-465.

Mr. Kittle said that they welcome additional meetings with Councillor Plowman and the public. He said that there was concern about the schools, but he wants to inform everyone that there are factual reports that show that multi-family units produce fewer school-aged children than single family units. This financing allows for higher quality development.

Councillor Cain moved, seconded by Councillor Sanders, to forward Proposal No. 321, 2006 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 3-2, with Councillors Pfisterer and Randolph casting the negative votes.

Councillor Randolph said that his vote is not against the project but is against the process and the fact that the people of Franklin Township did not receive any information or have an opportunity to meet with the developers. Mr. Kittle said that there was one meeting and he will make sure that Councillor Randolph is on the notice list for the next meeting.

Councillor Pfisterer said that she is impressed with the project, but there are some concerns that keep recurring in projects such as this and since the Councillor for the district is not in support of the project, she feels that she must side with that Councillor.

Chair Nytes encouraged the developers to make a visit to the school system in person and meet with the administration. She stated that one of the concerns of the Councillors is that these intense developments do generate a significant demand on the school system relative to the dollars that they produce in property taxes. If the developers have information that suggests that

the burden placed upon the school system is no worse, she would encourage them to make that information available to Franklin community residents. She said that for those who are working to build public transportation throughout the county, a little denser population in some areas is welcomed.

Mr. Kittle said that those steps are made when rezoning efforts are pursued, but they assumed that the numbers were already included in the school's calculations since it is land that is already available for multi-family. Chair Nytes said that it may be discovered that it is in the school's calculation, but as the general public may not have access to that same information and may be unnecessarily alarmed.

Councillor Pfisterer suggested that the developers also inform the Fire Department, as she is aware of some of the burdens in Franklin Township on the fire department and the increased density can worsen that. Mr. Ryan said that he spoke with the fire department and their concern was that they originally thought that the developers were asking for tax abatement, but when they found that to be false, there were no objections. He said that they will certainly meet with the fire department again regarding the design of the roads.

PROPOSAL NO. 322, 2006 - an inducement resolution for Pedcor Investments-2006-LXXXVIII, L.P. in an amount not to exceed \$15,000,000 for the acquisition and construction of a 220-unit affordable apartment community (Forest Ridge Apartment Community) situated on approximately 25 acres located southeast of the intersection of 79th Street and Township Line Road (District 2)

Mr. Morgan said that the developer appeared before the Economic Development Commission and reiterated that the project will not be repaid by tax revenue and there will be no taxes imposed to repay the bonds. He said that he understands that the developers have been in contact with the neighborhood associations and with Councillor Angela Mansfield, who does not oppose the project.

Scott Butler, Pedcor Investments, said that Pedcor Investments was formed in the mid 1980's and develops multi-family, affordable housing projects. He said that as part of the project, Township Line Road will be extended approximately a quarter of a mile south. He said the developers will be bearing the cost of improving that intersection. He said that he believes that the comprehensive transportation plan reflects that Township Line Road will eventually be extended from 79th Street to 71st Street; therefore, this project will cover a good portion of that. He said that discussions with the City have been for the extension to take the form of a half right-of-way. The project will be a single phase project and the property is properly zoned D6 for apartments. There will be a mix of one, two, three, and four bedroom apartments and the targeted annual income is anticipated to be about \$15,000-\$45,000 for individuals at or below 60% of AMI; therefore, there is no market rate component. Mr. Butler said that local community groups have been contacted, including Crooked Creek Community Council (C4), and they have not received any negative responses. He said that the developers have contacted Councillor Mansfield and have not received any comments, concerns, or questions from her about the project. He said that there are agreements in place with various social services agencies to provide services to the tenants and with local daycare providers to waive application fees for

residents of the project. Arrangements have been made for the availability of credit counseling services, presentations by the Marion County Health Department (MCHD) on public health issues, especially involving children, and with Coburn Safe Haven for any domestic violence issues that may arise. He said that they also have an arrangement in place with the Indiana Resource Center for Independent Living for developmentally disabled individuals. They have made every effort to involve the community and be open and discuss the goals of the project.

Mr. Morgan said that this development will remain on the tax roles at a developed rate rather than an undeveloped parcel. Chair Nytes asked if the area is currently wooded. Mr. Butler said that it is a mixture of scrub woods and open meadow. Chair Nytes said that she was simply concerned because the City is busy trying to plant trees and she hated the thought of losing a wooded area. Chair Nytes asked if there is a tree plan for the site. Mr. Butler said that the location of one building was moved to preserve a large barrow oak that is currently on the site and they are making every effort to preserve every tree that is more than scrub.

Chair Nytes asked if there is a market study to support that it is feasible for the project to develop 100% of the units to be targeted for individuals below 60% of the AMI. Mr. Butler said that an in-house market study has been completed and they are still awaiting the completion of a third party market study. He said that their experience has been that it will be doable in this location, as they have a project at 62nd Street and Georgetown Road, which is in close proximity to this project that has been extremely successful with high occupancies.

Councillor Cain asked if background checks are done on the residents. Mr. Butler answered in the affirmative.

Chair Nytes said that Councillor Mansfield has indicated to the Committee that she is in support of this project and she feels that there has been substantial communication with the neighborhood groups.

Susan Blair, President of the Pike Township Residents Association (PTRA), said that this is the first that she has learned of this project. She said that it is typically a common courtesy for petitioners to contact the adjoining organizations when it is so close to the boundaries, but she has received no notice of this project. She asked the Committee to postpone action until the Pike Township residents have an opportunity to review the proposal. Chair Nytes said that unfortunately, because of the State's deadline, if the Committee delays action on this proposal, there will not be an opportunity to have a hearing on it and have it before the Council before that time. She said that she would imagine that the PTRA can take assurance in the fact that C4 has given positive feedback on the project, but she still encourages the developer to provide information to the PTRA. Mr. Butler said that the project is right on the border and they would be happy to provide the information to the organization.

Councillor Cain moved, seconded by Councillor Sanders, to forward Proposal No. 322, 2006 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 323, 2006 - an inducement resolution for Urban Innovations, Ltd in an amount not to exceed \$6,750,000 for the acquisition, rehabilitation and renovation of a 111-unit

low-income elderly apartment complex located at 8851 Colby Boulevard (Park Regency Apartments Project) (District 1)

Mr. Morgan said that this is a property that is currently not on the tax rolls, but upon acquisition, renovation, and rehabilitation, will be placed on the tax rolls. It is an existing 20-year community, currently owned and operated by the Jewish Federation. Upon completion of the acquisition the project will be owned by a for-profit development company. He said he and Jeff Bennett, DMD, conducted a site visit and found that the project was very doable and the renovation and rehabilitation are things that are needed at this location. Mr. Morgan said that this project will shape up to be a win/win situation for the City, as the property will go on the tax rolls, and the Jewish Federation will obtain cash to put into various operations. He said that the property is currently 100% occupied, with a waiting list of 33 persons. The developer has a plan to rehabilitate each unit so that there is no displacement of current tenants. This project is not an obligation of the City, will not become an obligation of the City, and there will be no tax revenues utilized to repay the bonds, if issued.

Ted Esping, bond counsel for the developer, said that Park Regency is a 25-year-old, senior citizen housing project in Pike Township. It is a community asset that has been successful for a long time and is a remarkable facility. The Jewish Federation has reached an agreement to pass this facility on to Urban Innovations, Ltd., which is a remarkable operator in these types of projects. The presented plan states that the facility will be positioned to do what it has been doing for the past 25 years, but on an enhanced basis. The Economic Development Commission unanimously approved the project. Mr. Esping said that there is an issue about a "green space", that is a large piece of real estate that is largely undeveloped. It is owned by the Federation and will continue to be owned by the Federation, as Urban Innovations is only buying the facility. The Federation has given thought from time to time about what to do with the land, but they have not developed or built anything on it to date.

Zef Weiss, Jewish Federation of Greater Indianapolis Housing Corporation and former President of Park Regency, said that the Jewish Federation spent about a year looking at options before deciding to look at the possibility of a sale. He said that the need to renovate and the opportunity to raise funds was examined and the Federation decided that the sale was best for the community at large, and particularly the Park Regency residents. The residents would not only continue in the great facility that they already occupy, but they will also receive enhancements of a minimum of \$750,000 worth of improvements. Mr. Weiss said that the Board's primary focus was what was in the best interest of the residents. He said that part of the arrangement with Urban Innovations is that the Jewish Federation will still have the opportunity to provide social services to the residents. The net proceeds that will be received from the transaction will be placed in an endowment to provide a source of income in the future to help the elderly in the community. Mr. Weiss said that there is excess land that the Federation has had since the property was acquired. He said that Ms. Blair raised the issue as to whether there was a commitment made that the remaining property would never be used in the future. There have been several attempts to investigate that issue, the title records have been examined and nothing has been found to suggest that the commitment was made. There are also members of the board that have been serving on the board since the beginning who do not recollect any discussion that the adjoining property would not be used. However, he has assured Ms. Blair that if the Federation made that

commitment, it will be fulfilled if the supporting documentation can be provided. Mr. Weiss said that the Federation refused to sell that property and does not desire to sell it.

Steve Greenbaum, Urban Innovations, Ltd., said that they are buying this property and making a commitment for the next 25 years. He said that 16 of the 17 buildings are project-based, Section 8 assistance, and they intend to keep the subsidy in place for as long as Housing and Urban Development (HUD) will agree.

Chair Nytes asked with respect to project-based Section 8, how the proposed tenant base for this unit would be characterized in terms of AMI. Mr. Greenbaum answered that 100% of the units are eligible to receive project-based subsidy as long as the tenants are rent-to-income qualifying, which is generally a 40% or 60% test of AMI. Chair Nytes asked if, in addition to the income test, the property is also subject to an age classification. Mr. Greenbaum answered in the affirmative and stated that the property will remain as elderly housing.

Chair Nytes asked if it is anticipated that approximately \$75,000 a year will be paid in property taxes on the property. Mr. Greenbaum answered that this number is a projection, and they have had discussion with the Pike Township Assessor, but they do believe it will be in that range.

Councillor Randolph said that he has spoken with Mr. Esping and stated that he is not opposed to the project but he has the obligation to speak for the surrounding neighborhoods. He added that he must confront the other issues, particularly the "green space". He said that he has an issue with a forced deadline and would like to have this project continued. He said that he would like to see the background on the "green space" agreement, as he owes his support to PTRC in their request that he delay his support. Councillor Randolph also stated that if he votes against the proposal at the Committee level and additional information is received or negotiations are reached before the full Council meeting, he will reverse his stance.

Councillor Sanders said that she understands that the "green space" is a separate piece of property that has no connection to the inducement or sale and renovation of the property. Mr. Morgan said that the only connection is that the seller of the project in the proposal is the Jewish Federation, but the proposal does not relate to the issue concerning the additional space. Chair Nytes asked how the "green space" is retained, but the structure is involved in the sale. Mr. Greenbaum said that Urban Enterprise is acquiring the building structure only. Their business is the preservation of affordable housing for low income elderly. He said as part of their contract, the Jewish Federation is obligated to convey the building and sufficient land to continue to operate in compliance with zoning. But the Federation has the right to retain the balance of any additional land. Mr. Weiss said that all the land was originally acquired by the Federation, but several years ago the "green space" was separated from the property on which Park Regency resides; therefore, there are two entities that own the properties. The "green space" is owned by the Jewish Federation of Greater Indianapolis, Inc. and Park Regency is owned by the Jewish Federation of Greater Indianapolis Housing Corporation. Chair Nytes asked if there are two different property record cards in the Assessor's Office. Mr. Weiss answered in the affirmative.

Mr. Weiss said under the Subdivision Control Ordinance, if parcels are separated, in which the remaining parcel is greater than five acres, it does not have to go through the subdivision or platting process. However, if the Federation decides to later build something on the property, the Federation would need to go through the Metropolitan Development Commission (MDC) approval process because it is in a special use district. He said that he has informed Ms. Blair that Pike Township will get an opportunity to discuss what goes on the property because it will require approval by the MDC, as well as sufficient public notice and public discussion.

Councillor Pfisterer said that it is her understanding that there is no record in DMD of any commitment for any of the property. Mr. Weiss answered in the affirmative but he understands that others have looked for the MDC file and he is unsure if it is available, but the Federation Housing Corporation's files have no such record.

Ms. Blair said that she is a resident of the College Park Estates subdivision, which is to the immediate north of the property. She said that she has lived in her home since 1978 and stated that Park Regency has always been a good neighbor. She does not object to the inception of the project, but there is a misunderstanding among long-time residents who recall that the surrounding property, including the "green space", was to be included and not to be developed in order to be compliant with zoning regulations and density levels. She said that she also spoke with the former President of the College Park Board who stated that there was an agreement with the Jewish Federation that the College Park residents could use the open "green space" for recreational purposes. Ms. Blair said that she has spoken with Mr. Greenbaum and he has informed her that Urban Innovations plans to only purchase the building and the adjoining "green space", but not all of the "green space". The problem is that no documentation can be found to support the Federation's nor the residents' position and the City file cannot be located and has been missing for a number of years. Ms. Blair said that she has been looking through the PTRAs' digital formats trying to find something. She said that she found a case number that she is hoping may give some answers, but she has not had the opportunity to look over the information. She said that she recognizes that there is a time constraint, but she suggests that the project wait until all the information is available to better support the community. She said that most of the 460 residents of the College Park Estates Homeowners' Association are not aware of this project and have not been notified.

Chair Nytes said that it is her understanding that if Ms. Blair has found such a record, it would not have anything to do with the subject structure that is before the Committee. She said that the commitment, if any, would relate to the "green space" and those discussions will need to be held with the members of the Jewish Federation regardless of what happens with this particular complex. Mr. Greenbaum affirmed. Chair Nytes said that she also understands that absolutely nothing about the operation of the facility will change except that it will get remodeled and property taxes will begin being paid on the property. Mr. Greenbaum answered in the affirmative.

Councillor Cain said that it is her understanding that there is no notification requirement if there is not a zoning issue. Mr. Morgan said that there is a statutory requirement for a public hearing to be held later in the process.

Mr. Greenbaum said that they have reached out to all the neighborhood organizations, of which one has issued a letter of support. Mr. Morgan said that the Metropolitan Planning Commission has been notified of the project and the scope of the project.

Councillor Sanders moved, seconded by Councillor Cain, to forward Proposal No. 323, 2006 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 4-1, with Councillor Randolph casting the negative vote.

Councillor Randolph explained that he is not against the project but asked the attorneys that are leading the project to rectify any misunderstandings before the public hearing so that it may go more smoothly.

CONCLUSION

With no further business, and upon motion duly made, the Economic Development Committee of the City-County Council was adjourned at 7:05 p.m.

Respectfully Submitted,

Jackie Nytes, Chair

JN/nsm